

Reflections on Energy Security and Development

by Jos J.A.M van Gennip

President SID Europe Programme

9 February 2011

Briefing Session for Parliamentarians and Policy Makers

Post Lisbon: How to achieve coherence between energy security and development policies?

Most welcome to this year's briefing session on central strategic issues of the EU development policy in the framework of EDC2020 and the structural cooperation between EADI and SID Europe.

This annual briefing session has an extremely important theme: Energy security and development and is entitled: "Post Lisbon: how to achieve better coherence between energy security and development policies?"

There are two reasons for *this* yearly session: The multifaceted dimension of the issues energy and development, including its challenging approach of innovation and out of the box thinking and, more importantly, the triangle of national politics of the EU members – research and academic institutions – and the EU decision making and implementation as three elements which are interconnected and can reinforce themselves. This is the unique formula of EDC2020.

This last approach, the triangle, is probably the most underestimated dimension of EU development policies. There is attention for the broad popular constituencies for development cooperation, for contact between NGOs and cooperation with and amongst them, for collaboration amongst development administrations and above all for formulation and implementation of development policies on the EU level. There are subsequent facilities and funding for these actors and initiatives. However, the central question remains: how will the EU as a whole make the difference in the eradication of global poverty, in fostering sustainable development, in the process of equal opportunities and humanization of globalization. The triangle of proper relevant EU policies, sustained by adequate research and mandated by responsible national policies is here decisive. In that triangle the weakest, maybe sometimes even neglected links are the national parliaments, but *they* are in the end the real determining elements. They are the ones who hold the strings of the purse – will we

reach the ambition of 0.7% in 2015? - they are the ones who will make the choice between real coordination, division of labour, implementing the Paris Agenda or planting national flags in their development programmes and tying their aid to national interests and exports. Look what the recent Green Paper of the Commission says: “proper coordination is rather the exception than the rule!”.

We are all aware how endangered the targets of 2015 are. Whenever I see some optimistic statements also from the Commission, the parallel with the orchestra and the music on the front deck of the Titanic becomes irresistible, especially in light of the many cuts and reductions of the development budget. There are a few bright exceptions, but the mood all over Europe has changed dramatically over the last 3 – 5 years, a mood of disengagement, of fear about the evil outside world, a mood of isolationism. As once a Member of Parliament in Lithuania said to me during our campaign in favour of the European Consensus in his country: how can I tell my constituencies of poor pensioners who lost 30% of their income that we have to give assistance to the people of Mali? By the way, where is Mali located? Or what should I answer the Dutch MP who, challenged by the need for a severe economizing program, told me: be happy that we did not skip your foreign aid all together, listen to African witnesses like Danisa Moyo, that aid is not only not helpful, but even contra productive.

Yes, the answer lies exactly in this triangle: in 2011 it is not enough to talk about solidarity, moral obligation and charity. What is needed is the other link: research, serious academic work, proof of what the real effects of aid are, what the disturbances of non-coherent policies of the EU are and above all: what will be the consequences for the near and further future if we do not tackle the big challenges of poverty and globalization. This is the indispensability of the link between research, the academic world and policies and implications. And therefore we are so grateful it was DG Research that provided us with the funds for this EDC2020 programme and this yearly event. Research and academic work, they should determine and underpin the direction and organization of our international cooperation. Also vis-à-vis national parliaments, national policy makers in the national public discourses this is needed more than ever and above all vis-à-vis the EU and the Commission. This, our common work, will determine failure or success and it can prove the relevance of our international and global engagement.

And now the third element of the triangle: The EU and the Commission.

We have reason to be grateful that Commissioner Piebalgs is willing to speak on this occasion. In the past we dealt with items as Development Cooperation after Copenhagen, the role of new donors and actors like China, the coherence of EU policies and its correlation with international cooperation and

the constituent elements of the European Consensus. Some even say that this concept of the EU itself was shaped and fostered strongly in one of the first meetings of this program.

We are honoured to have Commissioner Piebalgs here. We have chosen as this year's theme, energy and development and I am not aware of anyone but he who is more qualified to deal with this subject. He has shaped the Energy Policies of the EU, this crucial domain in which there is only one way traffic possible: that of coordination and cooperation and where an *Alleingang* of the Member States have become obsolete, especially in view of the different geo-political and environmental interests at stake, not to speak of the imminent scarcities. In the past period this complex challenge has been presented to him as the responsible Commissioner. We are glad that Commissioner Piebalgs can insert his expertise in his new responsibility in the Commission. His mandate and expertise increased on top of that by the fact that he is the first Commissioner for Development after the ratification of the Lisbon Treaty. The member states tend to forget that exactly in this area of international cooperation Lisbon offers exciting new possibilities and instructions.

The origin of the SID European Program was exactly the observation in the second half of the 90s, that in the so-called *acquis communautaire*, the conditions for accession countries were laid down in detail totalling 12.000 pages, but it was not mentioned that the Founding Fathers of Europe in 1957 based their unique project also on the basis of the responsibility of Europe for poorer parts of the world!

But now there is even more: in the sequence of new scarcities – food, water, energy – the last one could become a terrible stumbling block in the process of development – look at the fallback to charcoal because of rising oil prices, look at the rising prices of food because of lack, or expensiveness of fertilizers – or a blessing: these last five years we have seen an explosion of revenues and more political interest for mineral rich African countries. We are well aware, that the vault lines of these stumbling blocks or the blessings are not identical with the have nots and the haves. As a Dutchman I can testify that a richness of natural gas can cause what is commonly called “the Dutch Disease”. Our partner FRIDE has done a lot of research about the correlation between natural resource richness and democracy and good governance. The outcome was not reassuring!

Paul Collier referred in his speech in Amsterdam, the day before yesterday, about a BRIC country that brought in a new dictator in a hitherto peaceful African country, because of its natural reserves and its interest in personal gain.

In a Green Paper from the Commission, the tension between the extracting industries and the perspectives of other economic activities for job creation, inclusive growth and sustainable development were outlined. The relation Energy and Development brings anyway forward a fascinating task ahead! Not in the least for the community here of development organizations and experts.

Energy and Development was indeed already a theme twenty-thirty years ago in our publications and projects, but at times marked by a certain degree of hobbyism. Let us be frank: with promoting solutions referring more to the past, albeit most of them with the best intentions, we can not solve the impending scarcity, in Africa as well as in the world as a whole. Simple windmills can indeed have an effect and we remember well the fashion of small is beautiful. But the fascination with the challenge of energy in the 21st century should be based on four new elements:

- Combine first of all the new and most advanced technical developments with the needs and specific possibilities of our partner countries, which are often so rich in sunshine, in wind, water, geo-thermal solutions and bypass a generation of infrastructure and solutions which we in Europe had to go through. There is a clear parallel with the fast spreading of mobile phones in African, bypassing the copper infrastructure. Applied research and our experiences can be extremely useful, but then the most innovative and the best of it!
- Consider in the second place the interconnection between the new scarcities: water, food, energy. We applaud strongly the new emphasis on food and agriculture in the plans of the Commissioner. If the SID Europe Programme is granted the opportunity to continue, especially in its task towards parliamentarians, we will underscore the need and the possibilities of fostering agriculture in international cooperation in our coming autumn or spring meeting. We share the same concern as the Commissioner and we are most ready to launch an extensive campaign towards politicians and constituencies in all the member states on these issues. We are moreover convinced that in this priority there is a strong and additional advantage: citizens all over Europe easily understand indispensability of agriculture in a continent like Africa to feed a population, to preserve the environment, to create rural employment. This priority could eventually be instrumental in bringing back the so much needed argumentations in favour of sustained resources for development.
- And we should offer the expertise of knowledge of Europe on how to combine mineral riches with sound economic politics and good governance. In this respect Norway is already doing a very fruitful and relevant job. We should offer farmers and citizens, who clearly see that their land is plundered, viable solutions. Profits should not go only or nearly exclusively to foreign powers or companies (which was by the way the case in a country like Bolivia). We can offer experience in the area of dealing with windfall profits, needless consumptions, and skipping taxations. No, incomes from extracting industries and activities should become real investments for the future oriented investments, like education, and infrastructure.
- But most of all, in the South and the North we should work at partnerships and above all at a new approach to the energy issue, even a new cultural approach! For 150 years we relied in our energy needs on resources for which we had to *dig*, from under the earth, under the soil!

And we had to look to the earth, downside. The 21st century will ask from the North and the South a different, even physical attitude: from digging to tilling, from extracting to harvesting products and by-products of agriculture, utilising the power of the sun, the wind and the water. Most of the time in a far reaching change from looking below to ahead, sometimes literally, from large scale to the small scale, from far away to close-by. But there is no room for new romanticism, and false expectations: renewable and alternative sources of energy will not close in the short run the conventional energy gap. And especially: let us consider the new scarcities above all as an opportunity for innovative solutions, especially for poorer countries in the South.

We should be ready to incorporate all these four elements in our research, extension and communication, eventually incorporated in our common programmes.

The energy issue underscores that none of the mayor problems at home is still solvable without taking into account their global dimensions. Indeed, the relation between development and energy is part of the problem, but can become part of the solution, a solution for the environment, for development in the countries concerned and the globe as a whole. That message with its policy and budgetary consequences should be translated to our politicians, policy makers, academics, media. It is a message of hope, also for dealing with the scarcities inside Europe and therefore in the long run in our own interest, it is a message of hope in the South as well, for children who can continue their studies during dark hours, for women who need not any longer to carry wood over more and more miles, for farmers who can utilise threshing machines close by instead of being at the mercy of a far away monopolistic processing plant, and for so much more, which makes people and their livelihoods a little bit more convenient.

In this way we are not only ready to listen to the visions of the Commission, but also to assist in their challenging agenda with our research, our experiences with best practices, our investments in the European public opinion and the public debate.

Sources

Berendsen, Bernard et al. (2009) *Emerging Global Scarcities and Power Shifts*, SID - Series 2007-08, Amsterdam, KIT Publishers, 308 pp.

Worldconnectors, Cooperation between SID, NCDO and DPRN, (2009) *Full Statement on New Scarcities: Invest in Sustainable Bioenergy for People and Planet*, Amsterdam, NCDO, 12 pp.